

## Message Text

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47

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 EA-11 ADP-00 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-02 PA-03 PRS-01 USIA-12 ABF-01 AGR-20

RSR-01 /198 W

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P R 281635 Z JUN 73

FM AMEMBASSY BERN

TO SECSTATE WASHDC PRIORITY 7919

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY PRETORIA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMCONSUL ZURICH

UNCLAS BERN 2675

PASS TREASURY AND FEDERAL RESERVE

E. O. 11652: N/ A

TAGS: EFIN, SZ

SUBJECT: SWISS FOREIGN- EXCHANGE AND GOLD DEVELOPMENTS

1. RUMORS OF IMMINENT ANNOUNCEMENT OF LARGE GERMAN  
TRADE SURPLUS DURING MAY AND RENEWED PROPOSALS FOR  
REVALUATION OF MARK AS ANTI- INFLATIONARY MEASURE CONCER-  
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TRATED ATTENTION AT ZURICH ON JUNE 28 ON GERMAN MARK.  
AFTER OPENING AROUND DM 2.5150, GERMAN MARK APPRECIATED IN  
ZURICH TRADING TO DM 2.4650/2.4700 TO DOLLAR. GERMAN  
MARK- SWISS FRANC RATE ON JUNE 28 WAS DM 100.00 EQUALS  
SF 121.75/122.00. THIS IS EQUIVALENT TO CROSS- RATE THAT  
PREVAILED BEFORE ONSET OF CURRENT MONETARY TURMOIL  
DROPPED CROSS- RATE TO APPROXIMATELY DM 100.00 EQUALS  
SF 113.00, AND DEMONSTRATES THAT DOLLAR HAS NOT DECLINED  
IN SWISS FRANCS TO SAME EXTENT AS IN GERMAN MARK.

2. AFTER OPENING AT SF 3.0355/3.0385 ON JUNE 28, SPOT  
DOLLARS IMPROVED IMMEDIATELY TO DAY' S HIGH OF SF 3.0370/  
3.0400 AND HELD AT APPROXIMATELY THAT RATE UNTIL NOON  
WHEN NEWS OUT OF GERMANY BEGAN TO AFFECT MARKET. SHORTLY  
AFTER NOON SPOT DOLLARS HAD REACHED LOW OF SF 2.9950/  
3.0025, FROM WHICH MADE SLIGHT RECOVERY TO CLOSE, ZURICH  
TRADING, AT SF 3.0140/3.0180.

3. ZURICH FOREIGN- EXCHANGE TRADERS SAY THAT CONCERN  
OVER US TRADE DEFICIT IN MAY IS REINFORCED BY FEAR THAT  
US WILL TEMPORARILY BAN EXPORT OF OTHER AGRICULTURAL  
PRODUCTS BESIDES SOYBEAN PRODUCTS. HOWEVER, MAJOR  
EFFECT ON FOREIGN EXCHANGE SITUATION CURRENTLY COMES  
FROM GERMAN MARK.

4. GOLD TRADED AT \$119.50/121.00 AT OPENING ON JUNE 28  
AND PRICES MOVED UPWARD TO CLOSE AT \$120.50/122.00.

5. VOLUME IN FOREIGN EXCHANGE AND GOLD MARKETS  
REPORTEDLY LOW.  
DAVIS

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NNNNMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Comment:**  
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**Review Content Flags:**  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Subject:** SWISS FOREIGN- EXCHANGE AND GOLD DEVELOPMENTS  
**TAGS:** EFIN, SZ  
**To:** BONN  
BRUSSELS  
EB  
LONDON  
LUXEMBOURG  
PARIS  
PRETORIA

ROME

SECSTATE WASHDC

**Type:** TE

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